

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BUDAPE 00249 281249Z

50

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 PA-01

PRS-01 USIA-06 SAJ-01 /061 W

----- 063301

R 281139Z JAN 75

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 2592

DEPT OF COMMERCE WASHDC

LIMITED OFFICIAL USE BUDAPEST 0249

E.O. 11652: N/A

TAGS: ETRD, HU

SUBJECT: AMBASSADOR'S CALL ON CHAMBER OF COMMERCE

PRESIDENT KALLOS

1. DURING CALL ON CHAMBER OF COMMERCE PRESIDENT KALLOS  
JAN 24 AT HIS REQUEST, LATTER DISCUSSED REASONS BEHIND RECENT  
POSTPONEMENT OF HIS VISIT TO U.S. FOR PURPOSE OF SIGNING  
COOPERATION AGREEMENT WITH U.S. CHAMBER. KALLOS STATED THAT  
HE HAD INITIALLY AND PRIMARILY DELAYED DATES OF VISIT FOR  
REASONS OF HEALTH. HOWEVER, THE ALMOST SIMULTANEOUS  
ANNOUNCEMENT OF SOVIET REJECTION OF ITS U.S. TRADE AGREEMENT  
CAUSED THEM ALSO TO CONCLUDE FOR THAT REASON THAT POSTPONEMENT  
WAS PREFERABLE. THEY HAD DISCUSSED HIS GOING FOR A "QUIET"  
SIGNATURE BUT HE DID NOT WANT TO DO IT THAT WAY. KALLOS  
STATED THAT IS WAS NOW BEST TO "WAIT AND SEE" WHAT STEPS  
CONGRESS WOULD TAKE TO MODIFY TRADE REFORM ACT.

2. I REPLIED THAT THERE WOULD BE CONSULTATIONS  
BETWEEN PRESIDENT AND CONGRESS IN AN EFFORT TO COME UP  
WITH AN ACCEPTABLE MODIFICATION OF TRADE LEGISLATION BUT  
ADDED THAT THIS MIGHT TAKE TIME TO WORK OUT. EXPRESSED  
HOPE THAT THERE MIGHT BE SOME WAY CHAMBER COULD GO FORWARD  
WITH CONCLUSION OF COOPERATION AGREEMENT WITHOUT WAITING

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUDAPE 00249 281249Z

FOR CHANGES IN TRADE BILL, SAYING THAT HUNGARIANS COULD

ACCOMPLISH MORE IN DEVELOPING RELATIONS WITH US BY SUCH A POSITIVE GESTURE OF GOOD WILL THAN BY DELAY IN SIGNING OF AGREEMENT. AT THIS POINT MEETING WAS INTERRUPTED BY A CALL TO KALLOS FROM FOREIGN TRADE MINISTER BIRO. WHEN KALLOS RETURNED FROM TALKING TO BIRO, HE APPARENTLY HAD NEW GUIDELINES REGARDING WHAT TO SAY. FOR WHILE HE HAD BEEN LISTENING CLOSELY TO WHAT I WAS SAYING HE NOW REPLIED THAT HE APPRECIATED POINT I WAS MAKING BUT THAT THEY FELT "BALL WAS NOW IN U.S. COURT."

3. I THEN MENTIONED THAT BIRO VISIT TO U.S. SEEMED TO HAVE FALLEN SHORT OF BOTH U.S. AND HUNGARIAN EXPECTATIONS ADDING THAT FOR THIS REASON I HAD FELT THAT A SUCCESSFUL VISIT BY KALLOS WOULD BE PARTICULARLY IMPORTANT. KALLOS SAID HE FELT NEITHER U.S. NOR HUNGARIAN SIDE HAD PREPARED SUFFICIENTLY FOR BIRO'S VISIT AND THAT CHAMBER'S VISIT WOULD HAVE BEEN SUCCESSFUL BECAUSE ADVANCE WORK HAD BEEN COMPLETED. HE IMPLIED, HOWEVER, THAT A SUCCESSFUL VISIT BY HIM AT THIS TIME MIGHT CAUSE PROBLEMS FOR HIM HERE (WITH BIRO). HE CONCLUDED THAT IT WAS THE CONSENSUS OF THE CHAMBER'S MEMBER COMPANIES THAT IT WOULD BE BEST NOW TO WAIT.

4. KALLOS NOTED THAT JOZSEF MOLNAR, FORMERLY HUNGARIAN COMMERCIAL ATTACHE IN WASHINGTON AND CURRENTLY DEPUTY DIRECTOR OF TANNIMPEX FOREIGN TRADING COMPANY, HAS BEEN NAMED CHIEF OF HUNGARIAN SECTION OF JOINT COUNCIL TO BE SET UP WHEN AGREEMENT BETWEEN U.S. AND HUNGARIAN CHAMBERS SIGNED.

5. COMMENT: KALLOS' REMARKS ARE TYPICAL OF GOH'S CURRENT WAIT AND SEE ATTITUDE REGARDING POSSIBILITIES FOR MOVING AHEAD IN ITS RELATIONSHIPS WITH U.S. IT IS CLEAR TO US THAT INITIAL MOTIVATION BEHIND POSTPONEMENT OF KALLOS' VISIT WAS ILLNESS OF HIMSELF AND WIFE, AS HE TOLD US ABOUT POSSIBILITY OF POSTPONEMENT PRIOR TO ANNOUNCEMENT THAT SOVIETS HAD REJECTED TRADE AGREEMENT. HOWEVER, IT IS NOW CLEAR VISIT WOULD HAVE BEEN DELAYED IN ANY CASE. NEVERTHELESS, KALLOS, WHO HAS ALWAYS STRUCK US AS BEING MORE BULLISH ON POSSIBILITIES FOR U.S.-HUNGARIAN TRADE RELATIONS THAN MINISTRY OF FOREIGN TRADE, OBVIOUSLY HOPES TO BE ABLE TO MOVE AHEAD AND RESCHEDULE HIS VISIT AS SOON AS THIS IS POLITICALLY FEASIBLE. WHEN THAT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BUDAPE 00249 281249Z

WILL BE IS NOW HARD TO TELL. ANNOUNCEMENT THAT MOLNAR WILL BE HUNGARIAN CHIEF OF JOINT COUNCIL IS ALSO WELCOME NEWS. MOLNAR, WHO SEEMS TO BE SOMEWHAT MISCAST IN PRESENT POSITION AT TANNIMPEX, IS A NATURAL FOR THE JOB CONSIDERING HIS ENERGY, ABILITY AND RECENT FIVE-YEAR TOUR AS COMMERCIAL ATTACHE IN WASHINGTON.

PEDERSEN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE LAW, AGREEMENTS, INTERGOVERNMENTAL COOPERATION, VISITS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BUDAPE00249  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750031-0324  
**From:** BUDAPEST  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750116/aaaaanip.tel  
**Line Count:** 114  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 JUN 2003 by ElyME>; APPROVED <04 JUN 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AMBASSADOR'S CALL ON CHAMBER OF COMMERCE PRESIDENT KALLOS  
**TAGS:** ETRD, HU  
**To:** STATE COM  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006